

ORIGINAL



0000082834

**Snell & Wilmer**

LLP  
LAW OFFICES

One Arizona Center  
Phoenix, Arizona 85004-2202  
(602) 382-6000  
Fax: (602) 382-6070  
www.swlaw.com

RECEIVED

2008 MAR 21 P 1:38

AZ CORP COMMISSION  
DOCKET CONTROL

TUCSON, ARIZONA

IRVINE, CALIFORNIA

SALT LAKE CITY, UTAH

DENVER, COLORADO

LAS VEGAS, NEVADA

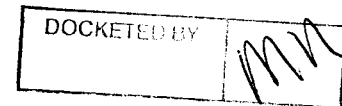
Robert J. Metli  
602.382.6568  
rmetli@swlaw.com

March 20, 2008

Sarah J. Harpring, Esq.  
Administrative Law Judge  
Hearing Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007

Arizona Corporation Commission  
DOCKETED

MAR 21 2008



Re: APS' Responses to Questions Raised by the Administrative Law  
Law Judge in the February 22, 2008 Procedural Order  
Docket No. E-01345A-07-0663 & T-01846B-07-0663

Honorable Judge Harpring:

In the February 22, 2008 Procedural Order you directed APS to address the following questions:

1. What comprises the 9.6% A&G Load referenced by APS as a component of its public costs and service costs?

A&G Load (also known as overhead costs) is comprised of APS shared services, such as information technology, tax services, human resources, treasury, finance, vehicle maintenance, contract services, warehousing, engineering, corporate oversight and construction supervision, along with associated payroll taxes and benefits. These overhead costs are charged to all APS construction projects a practice which is governed by the Uniform System of Accounts (see below) and has been routinely accepted by this Commission in setting APS rates and determining the Company's construction accounting practices for many decades.

2. What authorizes APS to include the 9.6% A&G Load as a component of its public costs and service costs?

It is a normal accounting practice for APS as well as all electric utilities to apply an overhead load (overhead costs) to construction projects. This is authorized by the Uniform System of Accounts as established by FERC and adopted by this

Honorable Judge Sarah J. Harpring  
March 20, 2008  
Page 2

Commission in A.A.C. R14-2-212(G). APS therefore applies standard loads to all capital jobs, which are just as much a component of the "cost" of such projects as are direct labor and material costs. Attached is the applicable Electric Plant Accounting Instructions to the Uniform System of Accounts (Exhibit A). Note that the instructions cover both what would be considered direct charges and overheads, including A&G, as well as Allowance for Funds Used During Construction ("AFUDC"). The instructions describe how such overheads are to be determined.

Pursuant to A.R.S. §40-347, entitled "Establishment of Conversion Costs" authorizes Petitioners to charge the underground conversion costs to each lot or parcel of real property within the UCSA. Under the conversion statute, underground conversion costs include: (1) the remaining undepreciated original costs of the existing overhead electric and communication facilities to be removed; (2) the actual costs of removing such overhead electric and communication facilities, less the salvage value of the facilities removed; (3) the contribution in aid of construction which the public service corporation or public agency would require under its rules and regulations applicable to underground conversion service areas; and (4) the actual cost of converting to underground the facilities from the public place to the point of delivery on the lot or parcel owned by each owner receiving service, less any credit which may be given such owner under the line extension policy of the public service corporation or public agency then in existence. APS has chosen NOT to request items 1 and 2, above. Item 3 is not applicable here. APS has requested a portion of item 4 and the "credit" referenced in the statute is zero under APS Service Schedule 3.

Overhead costs and "AFUDC" are normal and customary components of construction costs that are incurred on any construction project. If such costs are not specifically recovered from the property owners requesting this voluntary construction project, then such costs would have to be apportioned to general ratepayers.

3. What comprises the "direct charges," "loads," and "AFUDC" costs of the Joint Report?

"Direct charges" include Public Area Conversion and Lot Conversion Costs identified as part of the Joint Report. Public Area Conversion costs are estimated costs of converting overhead facilities within public places and are comprised of all trenching, conduit, backfill and surface restoration costs in the street right-of-

Horable Judge Sarah J. Harpring  
March 20, 2008  
Page 3

way plus junction box and transformer pad installations on private property. Lot Conversion Costs are comprised of all trenching, conduit, backfill and surface restoration on a specific parcel for service on that designated property.

"Loads," as described above are corporate overhead costs.

"AFUDC" is the capitalized interest and equity return on funds used to construct the facilities that are not yet in rate base and for which the Company is not yet earning a return. See Electric Plant Accounting Instructions provided in response to Question 2.

4. What authorizes APS to include the "direct charges," "loads," and "AFUDC" costs as part of its costs of the Joint Report?

A.R.S. §40-342 authorizes APS to include costs of conversion in public places as well as costs of placing underground facilities within private lots. As explained above, direct charges, loads and AFUDC are the individual components of such costs.

Finally, and in addition, attached are late Filed Exhibits A-18 and A-19. A-18 is a map that shows all of the parcels included within the USCA, including parcel 274. The parcel numbers are noted on each parcel on the map. A-19 is an explanation of who owned parcel 274 before its ownership reverted to La Paz County for failure to pay taxes.

Very truly yours,

SNELL & WILMER L.L.P.



Robert J. Metli

RJM:rs  
Enclosures

Copies of the Foregoing emailed or mailed  
This 21<sup>st</sup> day of March 2008 to:

91312703

HILLCREST WATER COMPANY  
BARBARA DUNLAP  
915 E. BETHANY HOME  
PHOENIX, AZ 85014

310-32-003

MIKEL W LITTLE  
C/O JENNIFER FLETCHER  
9 VIA PARPLONA  
RCH STA MARGARI, CA 92688

310-32-005A

ALBERT L & MARIA G REYES  
11751 ROSWELL AVE  
CHINO, CA 91710

310-32-006

VERONICA PEDREGON  
855 BAY VIEW DRIVE  
PARKER, AZ 85344

310-32-007

DAVID P & PATRICIA CARMICHAEL  
912 SOUTH EASTHILLS DR  
WEST COVINA, CA 91791

310-32-008

VERONICA PEDREGON  
855 BAY VIEW DRIVE  
PARKER, AZ 85344

310-32-009

LARRY CARTWRIGHT  
445 B AVENUE  
CORONADO, CA 92118

310-32-010

LARRY CARTWRIGHT  
445 B AVENUE  
CORONADO, CA 92118

310-32-011

ROBERT L & ROBERTA A GOLISH  
501 N CLENTINE ST  
ANAHEIM, CA 92801

310-32-012A

WYMAN & DONNA J JOHNSON  
17806 QUANTUM PL  
PIERRE, SD 57501

310-32-014A

RICHARD S & JOY M MUZIC, TRUSTEES  
MUZIC LIVING TRUST  
10313 FELSON ST  
BELLFLOWER, CA 90706

310-32-015

FRED A & LYNNE S MUZIC  
16411 UNDERHILL LN  
HUNINGTON BEACH, CA 92647

310-32-016

WAYNE D & ZELMA M DUNHAM, TRUSTEES  
P O BOX 68  
SAN CLEMENTE, CA 92674

310-32-017

WAYNE M & ZELMA M DUNHAM, TRUSTEES  
P O BOX 68  
SAN CLEMENTE, CA 92674

310-32-018  
CARL ALVARADO  
791 BAY VIEW DRIVE  
PARKER, AZ 85344

310-32-019  
KELLI SMITH  
927 HIGH COUNTRY  
GLENDDORA, CA 91740

310-32-020  
DUANE E & RUTH V FERGUSON, TRUSTEES  
2814 MANOR VIEW DR  
PARKER, AZ 85344

310-32-021  
DUANE E & RUTH V FERGUSON, TRUSTEES  
2814 MANOR VIEW DR  
PARKER, AZ 85344

310-32-022  
MAC & JOYCE FRAZIER  
1777 LEWIS AVENUE  
LONG BEACH, CA 90813

310-32-023  
CLARK & PIPER A SLONE  
40641 BEAR CREEK ST  
INDIO, CA 92203

310-32-024  
CLARK & PIPER A SLONE  
40641 BEAR CREEK ST  
INDIO, CA 92203

310-32-025  
ANDREW R & SHANNA S MCCLOSKEY  
5000 WINDY CIRCLE  
YORBA LINDA, CA 92887

310-32-026  
CHARLES E STIREWALT  
2932 BALLESTEROS LANE  
TUSTIN, CA 92672

310-32-027  
EDWARD WOODWORTH DEUEL III &  
NANCY LEE DEUEL, TRUSTEES,  
DEUEL FAMILY TRUST  
6892 VIA CARONA DR  
HUNTINGTON BCH, CA 92647

310-32-028  
RUSSELL E & SHIRLEY A MILLSPAUGH  
2874 MANOR VIEW DRIVE  
PARKER, AZ 85344

310-32-029  
JOHN JACOB & CALVIN NYLES WESTRA,  
TRUSTEES  
WESTRA FAMILY TRUST  
4379 HWY 147  
LAKE ALMANOR, CA 96137

310-32-030  
JOHN JACOB & CALVIN NYLES WESTRA,  
TRUSTEES  
WESTRA FAMILY TRUST  
4379 HWY 147  
LAKE ALMANOR, CA 96137

310-32-031  
BETTY JANE BRYANT  
GOLDIE JUNE JORDAN  
78976 SPIRIT COURT  
PALM DESERT, CA 92211

310-32-032

BETTY JANE BRYANT  
GOLDIE JUNE JORDAN  
78976 SPIRIT COURT  
PALM DESERT, CA 92211

310-32-033

GALE M & EILEEN C DALTON  
2910 S MANOR VIEW  
PARKER, AZ 85344

310-32-034A

ROGER A & SALLY J SHORE, TRUSTEES  
21225 PINEBLUFF DRIVE  
TRABUCO CANYON, CA 92679

310-32-035A

STEVE BENTON & DELIA ALVARADO  
2948 S NOBLE VIEW DRIVE  
PARKER, AZ 85344

310-32-036A

LINDA LEDBETTER  
570 RIM VIEW DRIVE  
TWIN FALLS, ID 83301

310-32-037

KENNETH J & EILEEN K THOMPSON, TRUSTEE  
78710 DARRELL DR  
BERMUDA DUNES, CA 92201

310-32-038

KENT A & TERESA B THOMPSON  
13811 MAYPORT AVE  
NORWALK, CA 90650

310-32-039

ALBERT & AMELIA NEVARES  
4756 MURIETTA ST  
CHINO, CA 91710

310-32-040

ALBERT & AMELIA NEVARES  
4756 MURIETTA ST  
CHINO, CA 91710

310-32-041

RUBEN JR & DIANE GOMEZ  
WILLIAM C & CONSTANCE RIACH  
JED WILLIAM RIACH  
P O BOX 112  
RUNNING SPRINGS, CA 92382

310-32-043A

JOHNNY A & BILLIE DODSON  
816 BAY VIEW DRIVE  
PARKER, AZ 85344

310-32-045A

NANDO HAASE  
830 BAY VIEW DR  
PARKER, AZ 85344

310-32-047A

FRED & LYNNE MUZIC  
16411 UNDERHILL LANE  
HUNTINGTON BCH, CA 92647

310-32-048A

ELIZABETH A HACKE  
858 BAY VIEW  
PARKER, AZ 85344

310-32-049  
MICHAEL J SCHAPER  
7383 SVL BOX  
VICTORVILLE, CA 92392

310-32-050  
VERONICA PEDREGON  
855 BAYVIEW DRIVE  
PARKER, AZ 85344

310-32-052B  
ROY & MARGARET HOKENSON  
880 BAY VIEW  
PARKER, AZ 85344

310-32-052C  
ROY & MARGARET HOKENSON  
880 BAY VIEW  
PARKER, AZ 85344

310-32-053  
TIMOTHY & JOLA NETTE HUBBS  
P O BOX 474  
RUNNING SPRINGS, CA 92382

310-32-054  
JACK M & BARBARA JO HUTCHENS, TRUSTEES  
HUTCHENS FAMILY TRUST  
151 N HOLGATE  
LA HABRA, CA 90631

310-32-056A  
LARRY W & SHEARL LYNN THOMPSON  
12642 LAMPLIGHTER  
GARDEN GROVE, CA 92845

310-32-057  
HILLCREST BAY INC  
924 BAY VIEW DR  
PARKER, AZ 85344

310-32-060A  
ROY M & MARGARET HOKENSON  
880 BAYVIEW  
PARKER, AZ 85344

310-32-061A  
BARBARA A DEMEREST  
11616 RECHE CANYON RD  
COLTON, CA 92324

310-32-062A  
BRIAN WOOD & ARTHUR WOOD  
3217 S NORTH SHORE DR  
ONTARIO, CA 91761

310-32-063A  
JULIANA PEREZ  
4169 MENTONE AV  
CULVER CITY, CA 90232

310-32-064A  
MICHAEL & TAMARA WILKINSON  
4 BELLA FIRENZE  
LAKE ELISINORE, CA 92532

310-32-065A  
JOHN D II & JACQUELINE Y YARBROUGH  
YARBROUGH REVOCABLE TRUST  
P O BOX 616  
PARKER, AZ 85344

310-32-066  
LOUISE DENVER  
889 SWAN DR  
PARKER, AZ 85344

310-32-068A  
KAREN L & JAMES C BIBBY  
873 SWAN DRIVE  
PARKER, AZ 85344

310-32-069  
CARLSON T & DARLENE E LOFTIS, TRUSTEES  
LOFTIS REVOCABLE LIVING TRUST  
54 WEST FOREST TRAIL  
FREESOIL, MI 49411

310-32-071A  
CARLSON & DARLENE E LOFTIS  
54 WEST FOREST TRAIL  
FREESOIL, MI 94911

310-32-072  
RICHARD R GERVAIS  
5234 CARLINGFORD AVE  
RIVERSIDE, CA 92504

310-32-073  
RICHARD GERVAIS  
5234 CARLINGFORD AVE  
RIVERSIDE, CA 92504

310-32-074  
GERALD W & MICHELLE C GATLIN  
JEFFREY W GATLIN AND TRACY A GATLIN  
17618 REGENCY CIRCLE  
BELLFLOWER, CA 90706

310-32-075  
GERALD W & MICHELLE C GATLIN  
JEFFREY W GATLIN AND TRACY A GATLIN  
17618 REGENCY CIRCLE  
BELLFLOWER, CA 90706

310-32-076  
DOWELL A & KATHERINE S KUBICKA  
TRUSTEES  
KUBICKA FAMILY TRUST  
6819 TAHITI DR  
CYPRESS, CA 90630

310-32-077  
DOWELL A & KATHERINE S KUBICKA  
TRUSTEES  
KUBICKA FAMILY TRUST  
6819 TAHITI DR  
CYPRESS, CA 90630

310-32-078  
TERENCE W A BITRICH  
1021 N PUENTE ST  
BREA, CA 92821

310-32-079  
TERENCE W A BITRICH  
1021 N PUENTES STREET  
BREA, CA 92821

310-32-080  
RANDY J & RACHAEL ANNE STEWART  
1826 COMARAGO COURT  
CORONA, CA 92883

310-32-081  
GEOFFREY WILLIAM LAMBROSE  
784 SWAN DR  
PARKER, AZ 85344



310-32-082  
GEOFFREY WILLIAM LAMBROSE  
784 SWAN DR  
PARKER, AZ 85344

310-32-084  
STUART & DENISE CURRIE  
RICHARD J & ANDREA WILKE, TRUSTEES,  
WILKIE FAMILY REVOCABLE TRUST  
DAVID M & DOROTHY D GLYNN  
4545 SUNFIELD AVENUE  
LONG BEACH, CA 90808

310-32-086  
TREVOR GOLDI & SIERRA SMITH-GOLDI  
EARLINE R POOL  
828 SWAN DR  
PARKER, AZ 85344

310-32-088  
CLIFTON D & VIOLA J LEE TRUSTEES  
LEE FAMILY REVOCABLE TRUST  
229 TUDOR  
COVINA, CA 91722

310-32-090  
RONALD D & MARY P LEE  
14049 FARMINGTON ST  
OAKHILLS, CA 92344

310-32-092  
JO ANN C GOLDBACH TRUSTEE  
JO ANN C GOLDBACH REVOCABLE TRUST  
880 SWAN DR  
PARKER, AZ 85344

310-32-095  
CUMMINS INVESTMENTS INC  
P O BOX 665  
LAKE HAVASU CTY, AZ 86405

310-32-083  
STUART & DENISE CURRIE  
RICHARD J & ANDREA WILKE, TRUSTEES,  
WILKIE FAMILY REVOCABLE TRUST  
DAVID M & DOROTHY D GLYNN  
4545 SUNFIELD AVENUE  
LONG BEACH, CA 90808

310-32-085  
JOHN M & PEGGY J STEINER TRUSTEES  
STEINER FAMILY TRUST  
3220 SARATOGA AVENUE  
LAKE HAVASU CIT, AZ 86406

310-32-087  
CLIFTON D & VIOLA J LEE TRUSTEES  
LEE FAMILY REVOCABLE TRUST  
229 TUDOR  
COVINA, CA 91722

310-32-089  
DONALD E LEE  
PO BOX 2008  
IRVINDALE, CA 91706-1008

310-32-091  
JO-ANNE M LYNN  
872 E SWAN DR  
PARKER, AZ 85344

310-32-094A  
DONALD & VIRGINIA VAUGHN  
888 SWAN DRIVE  
PARKER, AZ 85344

310-32-096  
THOMAS P & CYNTHIA A MCGREGOR  
TRUSTEES  
MCGREGOR TRUST  
914 E. SWAN DRIVE  
PARKER, AZ 85344

310-32-097  
FILMORE H ANDERSON  
VIRGINIA L ANDERSON  
920 E SWAN DR  
PARKER, AZ 85344

310-32-098  
ARTHUR C WOOD III  
STEVEN D WOOD & BRIAN D WOOD  
2968 THOROUGHREAD ST  
ONTARIO, CA 91761

310-32-099  
LINK T & SANDRA C JOHNSON TRUSTEES,  
JOHNSON REVOCABLE LIVING TRUST  
1112 W HOUSTON AVE  
FULLERTON, CA 92633

310-32-100  
ALFRED & SHERYL BEAUVAIS  
5318 ELK COURT  
FONTANA, CA 92336

310-32-101  
MARK S & JEANNINE LONG  
548 WOODHAVEN COURT  
UPLAND, CA 91786

310-32-102  
SCOTT D & GRACE D BABCOCK  
15944 EAST MILVERN DR  
WHITTIER, CA 90604

310-32-103  
LINDA SEIDENGLANZ  
BILL & CAROL CRANE  
15040 KINAI ROAD  
APPLE VALLEY, CA 92307

310-32-104A  
RICHARD M HOYT  
MARK A & KATHY A HOYT  
38821 KILIMANJARO DR  
PALM DESERT, CA 92211

310-32-106A  
WILLIAM H & SHARI D DAGE  
PO BOX 1297  
BANNING, CA 92220

310-32-107  
GERALD C & CAROL L MCGINNIS, TRUSTEES  
MCGINNIS FAMILY TRUST  
3370 LESS AVE  
LONG BEACH, CA 90808

310-32-108A  
GARY L & SUZANNE A SMITH  
531 APACHE DR  
PLACENTIA, CA 92870

310-32-110A  
RONALD K & LORRANINE C JOHNSON  
885 CRYSTAL VIEW DR  
PARKER, AZ 85344

310-32-111  
TROY & TAMMIE WARD  
41775 CASCADES CT  
TEMECULA, CA 92591

310-32-112  
RICHARD A & KIMBERLY E HAMPTON  
1143 ANDREW LN  
CORONA, CA 92881

310-32-113  
NANCY SUZANNE ARCHER  
861 CRYSTAL VIEW DR  
PARKER, AZ 85344

310-32-114  
RAYMOND G GROSSMAN SR & ANN M  
GROSSMAN  
118 N MORADA  
W COVINA, CA 91790

310-32-115  
CHARLES T & ELLEN L S O NEILL  
22062 BROKEN BOW DR  
EL TORO, CA 92630

310-32-116  
VICTORIA KUKURUDA  
30670 WATSON ROAD  
HOMELAND, CA 92548

310-32-118A  
RAYMOND D & PATRICIA EASLEY  
4161 RICARDO DRIVE  
YORBA LINDA, CA 92886

310-32-119  
JACQUELINE J & SANDRA J JOHNSON  
809 CRYSTAL VIEW DR  
PARKER, AZ 85344

310-32-120A  
SHARON ERROR, TRUSTEE  
SHARON ERROR TRUST  
PO BOX 575745 H  
SALT LAKE CITY, UT 84157

310-32-122A  
MARVIN L & JOAN K JORDAN  
P O BOX 228  
LA QUINTA, CA 92253

310-32-123  
LOUIS M & LINDA D WILSON  
4421 E VALLEY GATE  
ANAHIEM HILLS, CA 92807

310-32-124  
VICTOR M & PRISCILLA M HORTA  
8057 ARMAGOSA DRIVE  
RIVERSIDE, CA 92508

310-32-125  
BOYCE L & TERESA A HARKER  
TRENT W & LAURA M HARKER  
79-165 CANTERRA CIRCLE  
LA QUINTA, CA 92253

310-32-126  
LEAH C WAGNER  
7516 SHOUP AVE  
WEST HILLS, CA 91307

310-32-127  
LEAH C WAGNER  
7516 SHOUP AVE  
WEST HILLS, CA 91307

310-32-128  
DENNIS A & PHYLLIS A INGRAM  
828 CRYSTAL VIEW DRIVE  
PARKER, AZ 85344

310-32-129  
CHARLES E & JUDY RUTLEDGE TRUSTEES,  
RUTLEDGE FAMILY TRUST  
P O BOX 185  
LUCERNE VALLEY, CA 92356

310-32-130  
DAN & TERI PETERS  
5838 APPECROSS DR  
RIVERSIDE, CA 92507

310-32-132A  
MERLE D & JANET J CALVIN  
862 CRYSTAL VIEW DRIVE  
PARKER, AZ 85344

310-32-133  
WILLIAM & HARLAYNE BOND  
6042 W POTTER DRIVE  
GLENDALE, AZ 85308

310-32-135A  
GLENN E ECKER & PATRICIA A TANGES  
880 CRYSTAL VIEW DR  
PARKER, AZ 85344

310-32-136  
ROBERT W & CAMILLE A HUGHES  
13803 PEQUOT DRIVE  
POWAY, CA 92064

310-32-137  
GREGORY C & GWENDOLYN MESNA  
NATHAN J & WHITNEY MESNA  
PO BOX 2344  
RUNNING SPRINGS, CA 92382

310-32-138  
ROBERTA A & DONALD A ANDERSON  
1143 SHARON RD  
SANTA ANA, CA 92706

310-32-139  
ALBERT O LAFRENIERE  
1691 CHANDLER DR  
LAKE HAVASU C, AZ 86403

310-32-140  
CALEB J & KRISTINA A BRANDEL  
JUDITH B SHIPLEY  
7307 LENOX  
RIVERSIDE, CA 92504

310-32-141  
LESLIE GOSSENBERGER  
794 WEST BRITTANY LANE  
CLOVIS, CA 93619

310-32-142  
GARY & YVONNE SUTTON  
31956 ROSALES AVE  
MURRIETA, CA 92563

310-32-143  
ROBERT & LORI NIELSON  
P O BOX 401971  
HESPERIA, CA 92340

310-32-144  
JOHN L & JANE R SEARS,  
TRUSTEES OF THE SEARS LIVING TRUST  
10532 MIRA VISTA DR  
SANTA ANA, CA 92705

310-32-145

DAN R & VIVIAN T GOOD, TRUSTEE  
DAN R. GOOD AND VIVIAN T. GOOD  
DECLARATION OF TRUST  
P O BOX 53 HWY 108  
STRAWBERRY, CA 95375

310-32-147

DENNIS R & CATHERINE ROUSTAN,  
TRUSTEES  
ROUSTAN LIVING TRUST  
1640 E APPALACHIAN RD  
FLAGSTAFF, AZ 86004

310-32-150A

SCOTT K JONES SR & CAROLE A JONES,  
TRUSTEES  
JONES REVOCABLE TRUST  
7991 INWOOD LANE  
LAPALMA, CA 90623

310-32-153A

CYNTHIA I MILES & SANDRA MAGANA  
961 N CLEVELAND STREET  
ORANGE, CA 92867

310-32-156A

DELVIN G & GERTRUDE A WARREN  
JENNA MESSINA  
278 AGATE WAY  
BROOMFIELD, CO 80020

310-32-158

DONALD & MELODY CLARK  
16900 TAFT STREET  
RIVERSIDE, CA 92508

310-32-160

RICKY & KAREN L BULLARD  
814 ANDERSON COURT  
REDLANDS, CA 92374

310-32-146

JUDIL NOBLE  
1444 E 13TH STREET  
UPLAND, CA 91786

310-32-148

LINDA KAY CLAMP  
DAVID EDWARD SEAVER  
3457 EL CAMINO REAL  
PALO ALTO, CA 94306

310-32-151A

PAMELA A LEGGETT, TRUSTEE,  
PAMELA LEGGETT A REVOCABLE TRUST  
P O BOX 1395  
PARKER, AZ 85344

310-32-154

LAURENCE A & MARJORIE WARD  
867-E LINGER DR  
PARKER, AZ 85344

310-32-157

THOMAS J GEALY IV & DENISE M GEALY  
EDWARD F FERRALL SR & MARGARET  
FERRALL  
EDWARD FERRALL JR & SUSAN FERRALL  
18250 DEVONWOOD CIRCLE  
FOUNTAIN VALLEY, CA 92708

310-32-159

PAUL L & CAROL A PUDEWA  
3531 LAMA AVE  
LONG BEACH, CA 90808

310-32-161

GERALD D FLORES  
25092 PORTSMOUTH  
MISSION VIEJO, CA 92692

310-32-162  
GARY W SMITH  
791 E LINGER DR  
PARKER, AZ 85344

310-32-164  
THOMAS F ANDERSON  
ERNEST VANIER & ROBERT K ANDERSON  
2918 REDWOOD CIRCLE  
FULLERTON, CA 92635

310-32-165  
TOM W & KATHRYN A AYERS, TRUSTEES,  
AYERS REVOCABLE TRUST  
40795 NICOLE COURT  
HEMET, CA 92544

310-32-166  
JUDITH B SHIPLEY  
14325 LAUREL DRIVE  
RIVERSIDE, CA 92503

310-32-167  
JOHN W & JAMIE BRANDEL KOURKOS  
WILLIAM W & GERALDINE BRANDEL  
14255 JUDY ANN DRIVE  
RIVERSIDE, CA 92503

310-32-168  
DAVID & SUSAN THOMAS  
2508 DASHWOOD  
LAKEWOOD, CA 90712

310-32-169A  
THOMAS DAVID & SUSAN THOMAS  
2508 DASHWOOD ST  
LAKEWOOD, CA 90712

310-32-170A  
SHANE JOLICOEUR  
852 LINGER DR  
PARKER, AZ 85344

310-32-172C  
ROBERT & DANIELLE FRANCK  
134 VILLA RITA DR  
LA HABRA HGTS, CA 90631

310-32-173A  
SCOTT & CAROLE A JONES, TRUSTEES,  
JONES REVOCABLE TRUST  
7991 INWOOD  
LA PALMA, CA 90623

310-32-174  
THEODORE R & MARY L MARICAL  
711 ROSEWOOD LANE  
LA HABRA, CA 90631

310-32-175  
THEODORE R & MARY L MARICAL  
711 ROSEWOOD LANE  
LA HABRA, CA 90631

310-32-176  
ANDREW P & DEBRA D GRIMES  
904 LINGER DRIVE  
PARKER, AZ 85344

310-32-177  
EDWARD MARK & BEAVERLY A LAUER  
914 LINGER DR  
PARKER, AZ 85344

310-32-178  
CONSTANCE ANN ESTABROOK  
1426 CLEVELAND LOOP DRIVE  
ROSEBURG, OR 97470

310-32-180A  
JANICE POWERS  
934 LINGER DR  
PARKER, AZ 85344

310-32-181  
RICK J MCCURDY  
6417 SHERMAN WAY  
BELL, CA 90201

310-32-182  
WILLIAM E & JEANNETTE L HORN  
954 E LINGER DR  
PARKER, AZ 85344

310-32-183A  
GARY J SCHMITT  
3229 KLUK LANE STE 100  
RIVERSIDE, CA 92501

310-32-183C  
WILLIAM M. & JOAN L. WHITTLINGER  
PO BOX 1394  
TEXAS CITY, TX 77592-1394

310-32-184  
CRAIG A & CINDY S MARTIN, TRUSTEES  
MARTIN FAMILY REVOCABLE TRUST  
2184 CARTWHEEL CIRCLE  
CORONA, CA 92880

310-32-186A  
RONALD & SYLVIA NELSON  
835 MAX VIEW DR  
PARKER, AZ 85344

310-32-188B  
JEROME P & KAREN M BOWE  
849 MAX VIEW DRIVE  
PARKER, AZ 85344

310-32-189A  
ROBERT RESTER  
PATRICIA ANN HOFFMAN  
16729 SAGE CIR  
CHINO HILLS, CA 91709

310-32-190  
TIMOTHY GORDON & ROBIN ALICIA EVANS  
24482 CHAMALEA  
MISSION VIEJO, CA 92691

310-32-191  
TIMOTHY G & ROBIN A EVANS H/W  
24482 CHAMALEA  
MISSION VIEJO, CA 92691

310-32-192  
KHANIM POPLER  
981 CHARLES STREET  
BANNING, CA 92220

310-32-193  
KEITH BLANCHARD  
10529 CANTRELL AVE  
WHITTIER, CA 90604

310-32-195A  
SCOTT K JONES JR & ZAHIRA V DELGADILLO  
TRUSTEES,  
JONES REVOCABLE TRUST  
5732 PLACERVILLE PLACE  
YORBA LINDA, CA 92886

310-32-197  
MILDRED R DANN  
2195 N. SLOPE TERRACE  
SPRING VALLEY, CA 91977-3631

310-32-199  
PHILIP S & INA L WIGLEY  
250 E FOREST AVE  
ARCADIA, CA 91006

310-32-201  
ANNETTE M KINCAID  
1975 W LINDEN ST  
RIVERSIDE, CA 92507

310-32-203  
JAMES C SCHMIDT JR & CAROL L SCHMIDT  
26045 MATLIN ROAD  
RAMONA, CA 92065

310-32-205  
MELVIN EDWARD HEGLER  
18729 LEMARSH  
NORTHRIDGE, CA 91324

310-32-207  
ANTONIO & ILEN ELIAS-CALLES, TRUSTEES,  
ELIAS-CALLES FAMILY TRUST  
18922 FLAGSTAFF LN  
HUNTINGTON BCH, CA 92646

310-32-196  
RICHARD L & NANCY L FISHER  
582 W MOUNT CARMEL DR  
CLAREMONT, CA 91711

310-32-198  
ROBERT & BONNIE STRONG  
3602 FAIRMAN  
LAKEWOOD, CA 90712

310-32-200  
WILLIAM A & GAYL C BACA  
9700 LA CAPILLA AVE  
FOUNTAIN VALLEY, CA 92708

310-32-202  
KEVIN D MARTIN  
KEVIN D & MELANIE MARTIN  
1214 LAS ARENAS WAY  
COSTA MESA, CA 92627

310-32-204  
HOWARD A & HELEN F TWARDOKS  
15933 MALDEN ST  
NORTH HILLS, CA 91343

310-32-206  
ANTONIO & ILEN ELIAS-CALLES, TRUSTEES,  
ELIAS-CALLES FAMILY TRUST  
18922 FLAGSTAFF LN  
HUNTINGTON BCH, CA 92646

310-32-208  
EARL & ERNA DAVIS  
922 MAX VIEW DR  
PARKER, AZ 85344



310-32-209  
RANDY R & LISA T POOLE  
8019 E GRAY RD  
SCOTTSDALE, AZ 85260

310-32-211  
JERRY & KELLY GOODMAN  
68440 TAHQUITZ RD #4  
CATHEDRAL CITY, CA 92234

310-32-214  
MELVIN E HEGLER  
18729 LEMARSH ST  
NORTHRIDGE, CA 91324

310-32-216A  
FRANK I & JAN ROBLES  
P O BOX 31417  
TUCSON, AZ 85751

310-32-219  
WESLEY E BERGSTROM SR & THERESE  
BERGSTROM  
25681 PALMWOOD DR  
MORENO VALLEY, CA 92557

310-32-221  
KEVIN R & CYNTHIA ANNE RUNGE  
4485 SUNBURST DR  
OCEANSIDE, CA 92056

310-32-223  
JOHN W & CATHERINE M MARCHESI,  
TRUSTEES  
MARCHESI FAMILY TRUST  
3224 HILL VIEW DRIVE SOUTH  
CHINO, CA 91710

310-32-210  
ROBYN L STEIN  
2338 N EATON CT  
ORANGE, CA 92867

310-32-213A  
JOSEPH M & ALIS E TROYA  
PETER W & ILENE KRAEMER  
3551 AMES PLACE  
CARLSBAD, CA 92008

310-32-215  
JOHN R & JUDITH L P MCLEAN  
DALLSA NOC C/O:  
ATTN: BILL RECEIPT AREA 7TH FLOOR  
5081 NORRIS ST  
IRVINE, CA 92604

310-32-218A  
ANNE GRISHAM  
816 NOBLE VIEW DRIVE  
PARKER, AZ 85344

310-32-220  
MICHAEL S & MARIE B MENDEZ  
4091 CARROLL COURT  
CHINO, CA 91710

310-32-222  
HOLLIS I HARVEY  
130623  
BIG BEAR LAKE, CA 92315

310-32-224  
MATTHEW ANNALA  
13122 OLYMPIA WAY  
SANTA ANA, CA 92705

310-32-225

RICHARD L & HELEN T POWELL  
874 NOBLE VIEW DR  
PARKER, AZ 85344

310-32-226

CHARLES S & BARBARA MANNING, TRUSTEES,  
29214 OLD WRANGLER ROAD  
CANYON LAKE, CA 92587

310-32-227

HAROLD ERIC & KATHIE JO JONES  
4715 E WARWOOD ROAD  
LONG BEACH, CA 90808

310-32-228

MICHELLE M GAYLER  
P O BOX 1413  
THERMAL, CA 92274

310-32-229

MALLIETT INVESTMENTS LLC  
5373 W FIRST STREET  
LUDINGTON, MI 49431

310-32-230

ROBERT P & CAROL E BISCHOFF, TRUSTEES,  
BISCHOFF LIVING TRUST  
651 CENTER CREST  
REDLANDS, CA 92373

310-32-231

THOMAS J & JUNE K KRAUS  
10765 BARNES RD  
EATON RAPIDS, MI 48827

310-32-232

KENNETH R HEPLER JR  
40735 LA COLIMA  
TEMECULA, CA 92591

310-32-233

KENT A & TERESA B THOMPSON  
13811 MAYPORT AVE  
NORWALK, CA 90650

310-32-234

BERTHA M STITES TRUSTEE  
P O BOX 432  
ACME, MI 49610

310-32-235

RONALD J & PHYLLIS MCDONNELL, TRUSTEES,  
MCDONNELL FAMILY TRUST  
P O BOX 71  
MARSING, ID 83639

310-32-236

ROBERT & KATHLEEN THURMAN  
415 PORTOLA STREET  
SAN DIMAS, CA 91773

310-32-237

NORMAN R & DIANNA L DUMP  
9329 LAKE CANYON ROAD  
SANTEE, CA 92071

310-32-238

THOMAS W & TEDDIE JO LORCH, TRUSTEES,  
THOMAS W. LORCH AND TEDDIE JO LORCH  
TRUST  
2948 VIA BLANCO  
SAN CLEMENTE, CA 92673

310-32-239

THOMAS W & TEDDIE JO LORCH, TRUSTEES,  
THOMAS W. LORCH AND TEDDIE JO JORCH  
TRUST  
2948 VIA BLANCO  
SAN CLEMENTE, CA 92673

310-32-242A

VERNON G & LORETTA J KRAUS  
5388 W JAGGER RD  
LUDINGTON, MI 49431

310-32-245A

PHILIP J GARCIA  
DEBORAH A LAURENCE  
3152 WALKER LEE DRIVE  
LOS ALAMITOS, CA 90720

310-32-248

EDWARD F MUELLER  
6684 VINAL HAVEN CT  
CYPRESS, CA 90630

310-32-251A

DOUGLAS & KAREN GREER  
37293 MARINA VIEW  
PARKER, AZ 85344

310-32-253

DAVID M & RENEE L WELKER  
2875 HILLCREST DR  
PARKER, AZ 85344

310-32-255

E V GAULT  
9018 LAKEVIEW DRIVE  
PARKER, AZ 85344

310-32-240

RODNEY W KAWAGOYE  
JUDY C WILSON  
2971 DUNLAP DRIVE  
PARKER, AZ 85344

310-32-243

CLYDE L & JEANNE F HENTZEN  
2949 DUNLAP DR  
PARKER, AZ 85344

310-32-247A

DOUGLAS & KAREN GREER  
37293 MARINA VIEW  
PARKER, AZ 85344

310-32-249

ADAM G MADRIGAL  
3763 LIVE OAK DR  
POMONA, CA 91767

310-32-252

KATHI A BEVAN  
21499 RAY ARMSTRONG ROAD  
ANDALUSIA, AL 36421-1882

310-32-254

JANE SCHUE, TRUSTEE,  
SCHUE LIVING TRUST  
3706 BLUEGRASS DRIVE  
LAKE HAVASU CTY, AZ 86406

310-32-256

GEORGE & DEBBIE RADVANSKY  
2855 HILLCREST DRIVE  
PARKER, AZ 85344

310-32-257  
GERALD & SHAWNA JOHNSON  
P O BOX 80  
CABAZON, CA 92230

310-32-259A  
TED & CARLA BULTSMA & LESLIE  
GOSSENBERGER  
P O BOX 3612  
RUNNING SPRINGS, CA 92382

310-32-260A  
LARRY & LAURA S GRESETH  
718 BLACK DRIVE  
PRESCOTT, AZ 86301

310-32-261  
BRIAN BOLTON  
#2 VISTA DEL SOLE  
LAGUNA BEACH, CA 92651

310-32-262  
BRIAN BOLTON  
#2 VISTA DEL SOL  
LAGUNA BEACH, CA 92651

310-32-263  
ANDRE M & LINDA E DURAN H RUDY E &  
SIMONETTE A LOVATO  
23147 DONAHUE COURT  
MORENO VALLEY, CA 92553

310-32-264  
CHARLES JOSEPH SWAN  
2801 HILLCREST DRIVE  
PARKER, AZ 85344

310-32-265  
MICHAEL E & MELANIE A STEWART  
2793 HILLCREST DR  
PARKER, AZ 85344

310-32-267A  
JIM THURMAN  
#31, 9352 CREEKSIDE COURT  
SANTEE, CA 92071-4748

310-32-269A  
WILLIAM H & SHARI D DAGE  
PO BOX 1297  
BANNING, CA 92220

310-32-270A  
BETH S SHAMNURG  
JEFFREY G JOHNSON U/M  
2775 HILLCREST DRIVE  
PARKER, AZ 85344

310-32-271A  
GREGORY K & MICHELLE L WALSH  
15611 OBSIDIAN CT  
CHINO HILLS, CA 91709

310-32-272  
HILLCREST BAY INC  
924 BAY VIEW DRIVE  
PARKER, AZ 85344

310-32-273  
HILLCREST BAY INC  
924 BAY VIEW DR  
PARKER, AZ 85344

310-32-274  
LA PAZ COUNTY  
1108 JOSHUA AVENUE  
PARKER, AZ 85344

310-320-260A  
LARRY & LAURA S. GRESETH  
1026 YAVAPAI HILLS DRIVE  
PRESCOTT, AZ 863014

310-32-249  
ADAM G MADRIGAL  
315 HAMILTON ST.  
COSTA MESA, CA 92627

310-32-028  
RICK WOOD  
21 PALMERA  
RNCH STA MARGAR, CA 92688

310-32-169A  
DAVID & SUSAN THOMAS  
3540 465<sup>TH</sup> AVENUE  
ELLSWORTH, WI 54011

310-32-168  
DAVID & SUSAN THOMAS  
3540 465<sup>TH</sup> AVENUE  
ELLSWORTH, WI 54011

310-32-218A  
XSI PROPERTIES, INC.  
17051 MOCKINGBIRD CANYON ROAD  
RIVERSIDE, CA 92504

MARTIN BRANNAN  
LA PAZ COUNTY ATTORNEY  
1320 KOFA AVENUE  
PARKER, AZ 85344

HILLCREST WATER COMPANY  
BARBARA DUNLAP  
915 E. BETHANY HOME ROAD  
PHOENIX, AZ 85014

GEORGE NAULT  
LA PAZ COUNTY ASSESSOR  
1112 JOSHUA AVENUE  
SUITE 204  
PARKER, AZ 85344

**Federal Energy and Regulatory Commission Code of Federal Regulations (CFR)**

**Title 18: Conservation of Power and Water Resources**

**PART 101—UNIFORM SYSTEM OF ACCOUNTS PRESCRIBED FOR PUBLIC UTILITIES AND LICENSEES SUBJECT TO THE PROVISIONS OF THE FEDERAL POWER ACT**

**3. *Components of construction cost.***

A. For Major utilities, the cost of construction properly includible in the electric plant accounts shall include, where applicable, the direct and overhead cost as listed and defined hereunder:

(1) *Contract work* includes amounts paid for work performed under contract by other companies, firms, or individuals, costs incident to the award of such contracts, and the inspection of such work.

(2) *Labor* includes the pay and expenses of employees of the utility engaged on construction work, and related workmen's compensation insurance, payroll taxes and similar items of expense. It does not include the pay and expenses of employees which are distributed to construction through clearing accounts nor the pay and expenses included in other items hereunder.

(3) *Materials and supplies* includes the purchase price at the point of free delivery plus customs duties, excise taxes, the cost of inspection, loading and transportation, the related stores expenses, and the cost of fabricated materials from the utility's shop. In determining the cost of materials and supplies used for construction, proper allowance shall be made for unused materials and supplies, for materials recovered from temporary structures used in performing the work involved, and for discounts allowed and realized in the purchase of materials and supplies.

Note: The cost of individual items of equipment of small value (for example, \$500 or less) or of short life, including small portable tools and implements, shall not be charged to utility plant accounts unless the correctness of the accounting therefor is verified by current inventories. The cost shall be charged to the appropriate operating expense or clearing accounts, according to the use of such items, or, if such items are consumed directly in construction work, the cost shall be included as part of the cost of the construction

(4) *Transportation* includes the cost of transporting employees, materials and supplies, tools, purchased equipment, and other work equipment (when not under own power) to and from points of construction. It includes amounts paid to others as well as the cost of operating the utility's own transportation equipment. (See item 5 following.)

(5) *Special machine service* includes the cost of labor (optional), materials and supplies, depreciation, and other expenses incurred in the maintenance, operation and use of special machines, such as steam shovels, pile drivers, derricks, ditchers, scrapers, material unloaders, and other labor saving machines; also expenditures for rental, maintenance and operation of machines of others. It does not include the cost of small tools and other individual items of small value or short life which are included in the cost of materials and supplies. (See item 3, above.) When a particular construction job requires the use for an extended period of time of special machines, transportation or other equipment, the net book cost thereof, less the appraised or salvage value at time of release from the job, shall be included in the cost of construction.

(6) *Shop service* includes the proportion of the expense of the utility's shop department assignable to construction work except that the cost of fabricated materials from the utility's shop shall be included in *materials and supplies*.

(7) *Protection* includes the cost of protecting the utility's property from fire or other casualties and the cost of preventing damages to others, or to the property of others, including payments for discovery or extinguishment of fires, cost of apprehending and prosecuting incendiaries, witness fees in relation thereto, amounts paid to municipalities and others for fire protection, and other analogous items of expenditures in connection with construction work.

(8) *Injuries and damages* includes expenditures or losses in connection with construction work on account of injuries to persons and damages to the property of others; also the cost of investigation of and defense against actions for such injuries and damages. Insurance recovered or recoverable on account of compensation paid for injuries to persons incident to construction shall be credited to the account or accounts to which such compensation is charged. Insurance recovered or recoverable on account of property damages incident to construction shall be credited to the account or accounts charged with the cost of the damages.

(9) *Privileges and permits* includes payments for and expenses incurred in securing temporary privileges, permits or rights in connection with construction work, such as for the use of private or public property, streets, or highways, but it does not include rents, or amounts chargeable as franchises and consents for which see account 302, Franchises and Consents.

(10) *Rents* includes amounts paid for the use of construction quarters and office space occupied by construction forces and amounts properly includible in construction costs for such facilities jointly used.

(11) *Engineering and supervision* includes the portion of the pay and expenses of engineers, surveyors, draftsmen, inspectors, superintendents and their assistants applicable to construction work.

(12) *General administration capitalized* includes the portion of the pay and expenses of the general officers and administrative and general expenses applicable to construction work.

(13) *Engineering services* includes amounts paid to other companies, firms, or individuals engaged by the utility to plan, design, prepare estimates, supervise, inspect, or give general advice and assistance in connection with construction work.

(14) *Insurance* includes premiums paid or amounts provided or reserved as self-insurance for the protection against loss and damages in connection with construction, by fire or other casualty injuries to or death of persons other than employees, damages to property of others, defalcation of employees and agents, and the nonperformance of contractual obligations of others. It does not include workmen's compensation or similar insurance on employees included as *labor* in item 2, above.

(15) *Law expenditures* includes the general law expenditures incurred in connection with construction and the court and legal costs directly related thereto, other than law expenses included in protection, item 7, and in injuries and damages, item 8.

(16) *Taxes* includes taxes on physical property (including land) during the period of construction and other taxes properly includible in construction costs before the facilities become available for service.

(17) *Allowance for funds used during construction* (Major and Nonmajor Utilities) includes the net cost for the period of construction of borrowed funds used for construction purposes and a reasonable rate on other funds when so used, not to exceed, without prior approval of the Commission, allowances computed in accordance with the formula prescribed in paragraph (a) of this subparagraph. No allowance for funds used during construction charges shall be included in these accounts upon expenditures for construction projects which have been abandoned.

(a) The formula and elements for the computation of the allowance for funds used during construction shall be:

$$A_i = s (S/W) + d (D/D+P+C) (1 - S/W)$$

$$A_e = [1 - S/W] [p (P/D+P+C) + c (C/D+P+C)]$$

$A_i$  = Gross allowance for borrowed funds used during construction rate.

$A_e$  = Allowance for other funds used during construction rate.

$S$  = Average short-term debt.

$s$  = Short-term debt interest rate.

$D$  = Long-term debt.

$d$  = Long-term debt interest rate.

$P$  = Preferred stock.

$p$  = Preferred stock cost rate.

$C$  = Common equity.

$c$  = Common equity cost rate.

$W$  = Average balance in construction work in progress plus nuclear fuel in process of refinement, conversion, enrichment and fabrication, less asset retirement costs (See General Instruction 25) related to plant under construction.

(b) The rates shall be determined annually. The balances for long-term debt, preferred stock and common equity shall be the actual book balances as of the end of the prior year. The cost rates for long-term debt and preferred stock shall be the weighted average cost determined in the manner indicated in §35.13 of the Commission's Regulations Under the Federal Power Act. The cost rate for common equity shall be the rate granted common equity in the last rate proceeding before the ratemaking body having primary rate jurisdictions. If such cost rate is not available, the average rate actually earned during the preceding three years shall be used. The short-term debt balances and related cost and the average balance for construction work in progress plus nuclear fuel in process of refinement, conversion, enrichment, and fabrication shall be estimated for the current year with appropriate adjustments as actual data becomes available.

Note: When a part only of a plant or project is placed in operation or is completed and ready for service but the construction work as a whole is incomplete, that part of the cost of the property placed in operation or ready for service, shall be treated as *Electric Plant in Service* and allowance for funds used during construction thereon as a charge to construction shall cease. Allowance for funds used during construction on that part of the cost of the plant which is incomplete may be continued as a charge to construction until such time as it is placed in operation or is ready for service, except as limited in item 17, above.

(18) *Earnings and expenses during construction.* The earnings and expenses during construction shall constitute a component of construction costs.



(a) The earnings shall include revenues received or earned for power produced by generating plants during the construction period and sold or used by the utility. Where such power is sold to an independent purchaser before intermingling with power generated by other plants, the credit shall consist of the selling price of the energy. Where the power generated by a plant under construction is delivered to the utility's electric system for distribution and sale, or is delivered to an associated company, or is delivered to and used by the utility for purposes other than distribution and sale (for manufacturing or industrial use, for example), the credit shall be the fair value of the energy so delivered. The revenues shall also include rentals for lands, buildings etc., and miscellaneous receipts not properly includible in other accounts.

(b) The expenses shall consist of the cost of operating the power plant, and other costs incident to the production and delivery of the power for which construction is credited under paragraph (a), above, including the cost of repairs and other expenses of operating and maintaining lands, buildings, and other property, and other miscellaneous and like expenses not properly includible in other accounts.

(19) *Training costs* (Major and Nonmajor Utilities). When it is necessary that employees be trained to operate or maintain plant facilities that are being constructed and such facilities are not conventional in nature, or are new to the company's operations, these costs may be capitalized as a component of construction cost. Once plant is placed in service, the capitalization of training costs shall cease and subsequent training costs shall be expensed. (See Operating Expense Instruction 4.)

(20) *Studies* includes the costs of studies such as nuclear operational, safety, or seismic studies or environmental studies mandated by regulatory bodies relative to plant under construction. Studies relative to facilities in service shall be charged to account 183, Preliminary Survey and Investigation Charges.

(21) *Asset retirement costs*. The costs recognized as a result of asset retirement obligations incurred during the construction and testing of utility plant shall constitute a component of construction costs.

B. For Nonmajor utilities, the cost of construction of property chargeable to the electric plant accounts shall include, where applicable, the cost of labor; materials and supplies; transportation; work done by others for the utility; injuries and damages incurred in construction work; privileges and permits; special machine service; allowance for funds used during construction, not to exceed without prior approval of the Commission, amounts computed in accordance with the formula prescribed in paragraph (a) of paragraph (17) of this Instruction; training costs; and such portion of general engineering, administrative salaries and expenses, insurance, taxes, and other analogous items as may be properly includable in construction costs. (See Operating Expense Instruction 4.) The rates and balances of short and long-term debt, preferred stock, common equity and construction work in progress shall be determined as prescribed in paragraph (b) of paragraph (17) of this Instruction.

#### 4. *Overhead Construction Costs.*

A. All overhead construction costs, such as engineering, supervision, general office salaries and expenses, construction engineering and supervision by others than the accounting utility, law expenses, insurance, injuries and damages, relief and pensions, taxes and interest, shall be charged to particular jobs or units on the basis of the amounts of such overheads reasonably applicable thereto, to the end that each job or unit shall bear its equitable proportion of such costs and that the entire cost of the unit, both direct and overhead, shall be deducted from the plant accounts at the time the property is retired.

B. As far as practicable, the determination of pay roll charges includible in construction overheads shall be based on time card distributions thereof. Where this procedure is impractical, special studies shall be made periodically of the time of supervisory employees devoted to construction activities to

the end that only such overhead costs as have a definite relation to construction shall be capitalized. The addition to direct construction costs of arbitrary percentages or amounts to cover assumed overhead costs is not permitted.

C. For Major utilities, the records supporting the entries for overhead construction costs shall be so kept as to show the total amount of each overhead for each year, the nature and amount of each overhead expenditure charged to each construction work order and to each electric plant account, and the bases of distribution of such costs.

---

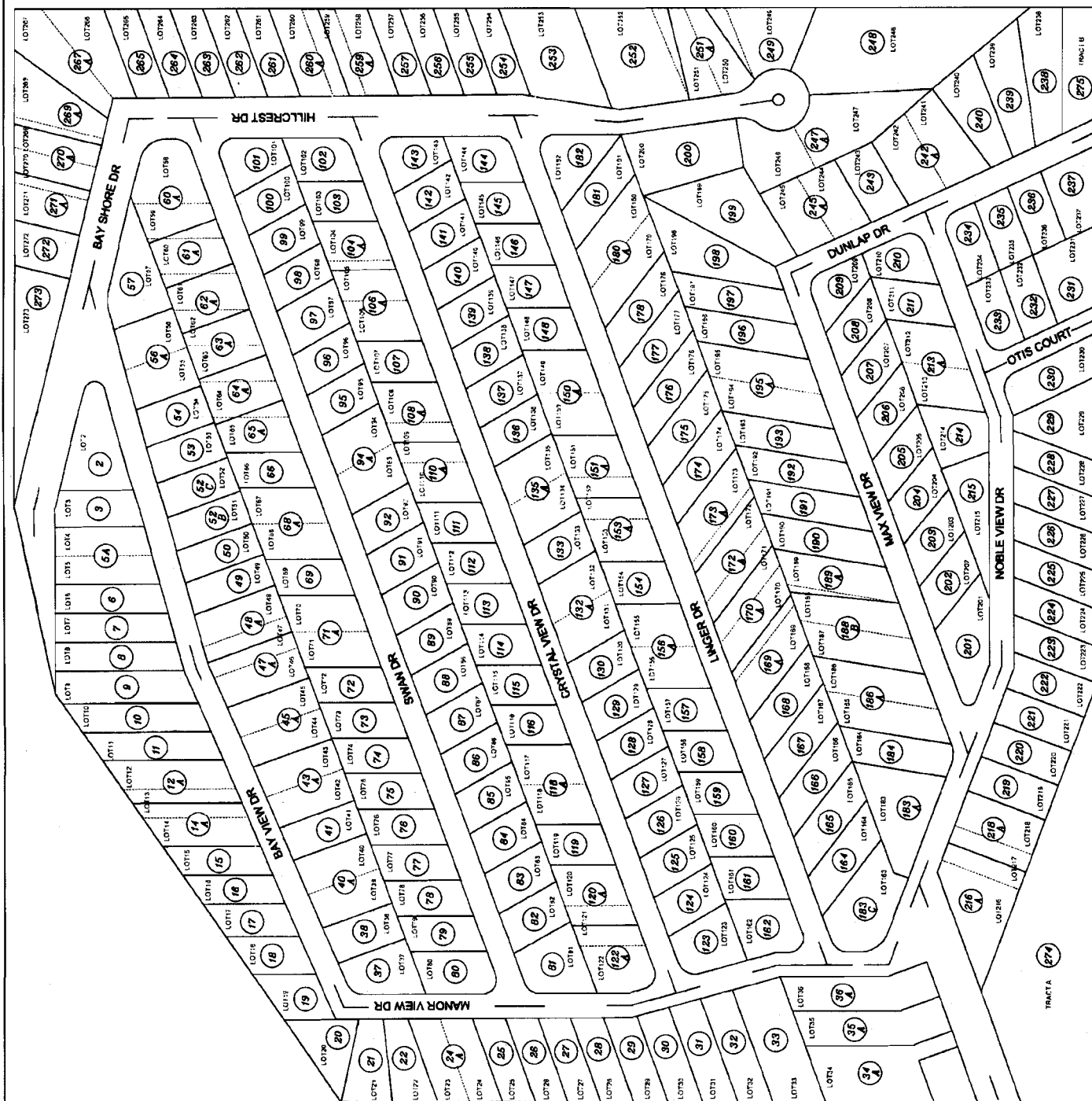
# Late-Filed Exhibit A-18



**VICINITY MAP**

SHEET 14 OF 14  
 DATE: 11/14/10  
 CONTACT: D.L.  
 PHONE: 800-888-5000  
 DATA MODIFIED PER FIELD CONDITIONS  
 FILENAME: HILLCREST BAY

**APR**  
 HILLCREST BAY  
 PARCEL NUMBERS  
 WORK: 227-40  
 DATE: 2-27-08  
 DRAWN BY: Ed Blum  
 SCALE: NOT TO SCALE  
 FILENAME: HILLCREST LOTS  
 SHEET 1 OF 1



**Ownership of Hillcrest Bay Tract A, APN 310-32-274**

Docket 86-3973, 8/20/1986, Warranty Deed

From: Continental Bank Service Corporation, as Trustee

To: Barbara J. Dunlap

Docket 86-3974, 8/20/1986, Special Warranty Deed

From: Barbara J. Dunlap

To: Continental Bank Service Corporation, as Trustee

(NOTE: There are multiple parcels in the above two documents, appears Lot 1 was transferred to Mrs. Dunlap, but not transferred back to CBSC, so the purpose of this appears to have been to remove Lot 1 from the trust.)

Docket 94-6226, 12/1/94, Quit-Claim Deed

From: John C. Cape

To: La Paz County Treasurer

Docket 95-1717, 3/30/1995, Special Warranty Deed and Assignment

From: CSC Financial Services Inc

To: Weststar Loan Servicing Corporation

(NOTE: Court Order attached dated December 21, 1994, Superior Court of State of Arizona. Orders the Receiver to sell to Weststar the assets of CSC per the Asset Purchase Agreement attached to Petition 20.)

Docket 2000-5272, 12/6/2000, Treasurer's Deed

(Property Tax Lien)

To: State of Arizona C/O La Paz County

Docket 2004-6380, 12/21/04, Deed

From: State of Arizona c/o La Paz County

To: Edwin C. Benson

Docket 2005-1589, 3/14/2005, Quitclaim Deed

From: Edwin C. Benson

To: La Paz County